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## **South Africa, Republic of**

### **Sugar**

### **Semi-Annual**

### **2000**

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#### **Report Highlights:**

**At this stage a new record cane crop of 24 million tons is expected to be milled during the 2000/2001 (2001) season. Sugar production is estimated at about 2.8 million tons raw value, about the same as in the 1998/1999 season. While the world market is still depressed, conditions have improved and with the low value of the S.A. Rand, export prospects are more favorable than in the previous season. The sugar industry agreement, which regulates the industry, is under scrutiny by the Board on Tariffs and Trade. Although there is pressure for a more free market oriented industry, South African action will probably be subject to similar liberalization by other producers and exporters.**

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Includes PSD changes: Yes  
Includes Trade Matrix: Yes  
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## **Executive Summary**

South Africa's 200/2001 sugar cane production is estimated at 24 million tons, a new record. This is the result of increased area cultivated and a favorable rainy season. Heavy rainfall is good for cane growth but not necessarily sucrose content of the cane. As a result sugar production is only expected to reach about 2.8 million tons raw value, about the same as in 1998/99. The industry organization is still under investigation by the Board on Tariffs and Trade regarding WTO compliance. There are indications that the investigation is not urgent and that other WTO members should lead in the freeing up of the world's sugar industry. Tariffs may, however, be lowered as a short term measure.

## **Sugar Cane**

PSD Table						
Country:						
Commodity:	Sugar Cane Centrifugal					
		1999		2000		2001
	Old	New	Old	New	Old	New
Market Year Begin		04/1998		04/1999		04/2000
Area Planted	428	417	424	424	427	427
Area Harvested	321	316	311	316	319	322
Production	22930	22930	21609	21223	22500	24000
TOTAL SUPPLY	22930	22930	21609	21223	22500	24000
Utilization for Sugar	22930	22930	21609	21223	22500	24000
Utilizatn for Alcohol	0	0	0	0	0	0
TOTAL UTILIZATION	22930	22930	21609	21223	22500	24000

## Production

Climatic conditions were very favorable for the 2000/2001 cane crop and at this stage indications are that a new record of 24 million tons will be cut this season. The increase in cane production is also due to an increase in the area planted to cane and the area cut. The following table contains the details:

Season	Area planted Hectares	Harvested Hectares	Cane cut Metric tons	Yield Mt/ha	Sugar prod. Mt. Tel quell	Cane/sugar ration
1996/1997	411 297	299 655	20 950 894	69.92	2 269 195	9.23
1997/1998	421 038	296 576	22 154 775	74.70	2 412 914	9.18
1998/1999	416 820	316 357	22 930 324	72.48	2 646 172	8.67
1999/2000	424 444	315 753	21 223 098	67.21	2 531 805	8.38
2000/2001est	426 693	321 913	24 000 000	74.55	2 646 000	9.07

The 2001 estimate reflects a high rainfall season with abundant cane growth but low sucrose which increased the amount of cane needed to produce a ton of sugar. Heavy rains during the season were a mixed blessing, causing infra structural damage to cane growing areas. Excessive rains also leach fertilizer from the root zone and inclement weather has reduced the number of heat units received. The milling season is expected to run into 2001 and more dependable estimates will become available later.

## Sugar

PSD Table						
Country:	South Africa, Republic of					
Commodity:	Sugar					
		1999		2000		2001
	Old	New	Old	New	Old	New
Market Year Begin		04/1998		04/1999		04/2000
Beginning Stocks	420	420	472	560	482	520
Beet Sugar Production	0	0	0	0	0	0
Cane Sugar Production	2808	2808	2685	2685	2700	2800
TOTAL Sugar Production	2808	2808	2685	2685	2700	2800
Raw Imports	0	0	0	0	0	0
Refined Imp.(Raw Val)	52	62	55	55	55	55
TOTAL Imports	52	62	55	55	55	55
TOTAL SUPPLY	3280	3290	3212	3300	3237	3375
Raw Exports	1000	1055	1030	955	1120	1120
Refined Exp.(Raw Val)	436	300	300	455	330	330
TOTAL EXPORTS	1436	1355	1330	1410	1450	1450
Human Dom. Consumption	1363	1360	1390	1360	1415	1370
Feed Dom. Consumption	9	15	10	10	10	10
TOTAL Dom. Consumption	1372	1375	1400	1370	1425	1380
Ending Stocks	472	560	482	520	362	545
TOTAL DISTRIBUTION	3280	3290	3212	3300	3237	3375

## Production

The PS&D table is in thousand metric tons raw value. South Africa produces sugar with a high degree of Polarization (about 99.5\*Pol) mainly due to the diffuser process used; this is converted to 96\*Pol raw value by multiplying by 1.061. The current estimate predicts 2001 sugar production of around 2.8 million mtrv., very close to the 1999 production. This will allow exports of nearly 1.5 million tons and supply the local market.

The recent collapse of the world price still overhangs the market. The price collapsed from as high as 12.50 U.S. Cent/lb. in January 1998 to a low of 3.93 U.S. Cent/lb. in February 1999, a drop of 69% in 13 months. This was the lowest nominal price in 14 years and in real terms one of the lowest prices ever. The industry, however, expected the tighter market and higher prices this year while the depreciation of the S.A. Rand also increased earning opportunities.

The Board on Tariffs and Trade is still looking into the highly regulated affairs of the industry and is likely to recommend a more market orientated approach. This is expected to take place over time and in line with similar

developments in other major producers and in the market. Details are in the annual report sf0011 submitted 04/11/200.

## Trade

The calendar year 1999 trade matrix is supplied to give an indication of the export destinations. The trade matrix is split in raw and refined sugar as these are two separate markets. The 1998 matrix was supplied in the annual report.

Export Trade Matrix			
Country:		Units:	Metric tons
Commodity:			
Time period:	CY Raw		
Exports for	1999		1999
U.S.	15,270	U.S.	Refined
Others		Others	
Japan	174,000	Iran	85015
Korea	162,640	Mozambique	69182
Saudi Arabia	160,500	Kenya	51865
Russian Fed.	158,000	Tanzania	37504
Monaco	80,000	Mauritius	35785
Malaysia	70,000	Madagascar	31885
Singapore	25,200	Ghana	10136
Kenya	12,872	Angola	9063
Mozambique	10,911	Uganda	5084
Tanzania	6369	Italy	3175
Total for Others	860492		338694
Others not listed	53898		61156
Grand Total	929660		399850